

**SALTON SEA AUTHORITY  
REQUEST FOR QUALIFICATIONS (RFQ)  
BOND UNDERWRITING SERVICES**

The Salton Sea Authority (the “Authority”) is interested in entering into a long-term partnership with an established underwriting firm or firms to conduct all underwriting transactions over the next five years. The contemplated financings under this RFQ relate to implementation of the Authority’s \$1.0 billion plan for revitalizing the Salton Sea as a regional recreational asset and stimulus for economic development in the surrounding area. The Authority will hold an optional informational meeting for parties interested in responding to this RFQ from 9:00am to noon on Wednesday, August 31, 2005, at the Salton Sea Community Services District offices on Highway 86 in Salton City, California. Authority staff and its financial advisor will be present to describe the Authority’s current plan, to explain the expected involvement of state, federal and other local agencies in the overall project and financing plan, and to answer questions.

Simultaneous with this RFQ for Bond Underwriting Services, the Authority is issuing an RFQ for Real Estate Development and Brokerage Services. The Authority contemplates awarding one or more contracts under both RFQs within the next six months; although the Authority reserves the right not to award any contracts under these RFQs. Interested parties may submit separate proposals under one or both RFQs or you may submit a combined proposal as a single firm, affiliates, or a proposal team. Submittals will be scored separately based on the criteria in each RFQ. However, please note that bonus points will be awarded under each RFQ for (i) combined proposals and (ii) combined proposal teams that include a firm whose main office is located in the Coachella Valley or Imperial County.

If your firm is interested in responding to this RFQ for Bond Underwriting Services, please read the RFQ carefully and fully respond to each question. Please pay particular attention to the qualifications submission and presentation requirements listed below:

**1. UNDERWRITER RFQ REQUIREMENTS AND QUESTIONS**

**A. General Underwriter Minimum Qualification Requirements**

Firms must have a minimum of five years of satisfactory experience in providing underwriting services to California public agencies and have at least one office located in California. If the firm has been in business for less than five years, the experience of its principals may be used to meet this requirement. Detailed information regarding experience in these areas must be provided.

## **B. General Underwriter Scope of Services**

- i. Provide customary underwriter services; including commenting on the alternatives and feasibility of any proposed transactions. Provide technical “number crunching” services as needed related to the proposed alternatives.
- ii. Advise staff on the size and timing of transactions and issuance of additional obligations, redemption prior to maturity and call premiums.
- iii. Propose or review and comment upon transaction documents to the extent they relate to the issuance of obligations by the Authority.
- iv. Prepare rating agency and bond insurance company presentations.
- v. Participate in meetings with and presentations to the various public agencies that participate with the Authority including but not limited to; the Authority Board, Riverside County, Imperial County, Coachella Valley Water District, Imperial Irrigation District and the Torres Martinez Desert Cahuilla Indians.
- vi. In addition, the firm or firms selected, will need to interact effectively with Authority staff, consultants, rating agencies, and bond insurance companies.
- vii. Other underwriter services that the Authority may request.

The above list is not meant to constitute an exhaustive list of duties. The firm or firms selected may be called upon to provide other services not identified here in connection with a particular transaction.

## **C. Qualification Questions**

- i. In a table, list the last three years of California debt experience related to tax allocation bonds (80% and 20%), assessment district and Mello-Roos bonds including the par, agency, date, and name of issue. Indicate whether your firm was a sole, senior or co-manager. Also indicate if the issue was a new issue or refunding.
- ii. Describe your firm’s technical capability and what software your firm utilizes in structuring bond issues.
- iii. Describe your firm’s capabilities and strategies to market and sell Authority paper. Include a discussion of your firm’s retail and

institutional distribution capabilities in California and a description of the number of personnel in the sales force, both nationally and in California. List any issues you see concerning the marketing and sale of Authority paper.

- iv. Name 1-3 financings that the firm, and preferably your key personnel, has been involved in during the last 3-5 years that demonstrates the firm's creativity. What were some of the challenges you encountered and how did you overcome them?
- v. Describe the experience, qualifications and other vital information, including relevant experience on previous similar financings, of all key individuals who may be assigned to an Authority transaction. Key personnel include partners, managers, associates and other professional staff that will perform work and/or services on this project. This information shall include functions to be performed by the key individuals.
- vi. What is your maximum underwriting liability pursuant to SEC guidelines? Please explain how you derived this figure.
- vii. Describe any other creative structures you wish to discuss.
- viii. Please disclose whether the firm, or any of its partners, members, associates, or employees, has within the last five years been convicted of any crime or offense arising directly or indirectly from the conduct of the firm's business, or whether any of the firm's partners, members, associates or employees has, within the last five years, been convicted of any crime or offense involving financial misconduct or fraud. If so, please describe any such indictments or charges and surrounding circumstances in detail.

Please disclose whether the firm, or any of its partners, members, associates or employees, has ever been indicted or otherwise charged in connection with any criminal matter arising directly or indirectly from the conduct of the firm's business which is still pending, or whether any of the firm's partners, associates or employees has ever been indicted or otherwise charged in connection with any criminal matter involving financial misconduct or fraud which is still pending. If so, please describe any such indictments or charges and surrounding circumstances in detail. Please disclose whether the firm has been sued by an issuer and disclose what the outcome was of such litigation

- ix. Fees: Include any pre-sale hourly rates by title. Please indicate the gross spread fee compensation for certain types of transactions

(e.g. tax allocation, land-based). Please indicate the fee compensation for the differing credit types based on non-rated, rated (A) and insured (AAA) transactions.

Please indicate what the fees would be for the different bond issues utilizing the ranges:

Less than \$5 million  
\$5 million to \$10 million  
\$10 million to \$25 million  
\$25 million to \$50 million  
Over \$50 million

Additionally, please provide a list and any cap on expenses for which the firm would expect to be reimbursed. Note that all fees will be paid on a contingent basis upon successful closing of the transaction.

- x. Supplemental Information - Any additional information the Underwriter wishes to include.
- xi. Underwriter is required to submit five references for which underwriting services have been performed within the last three years related to tax allocation and/or land-based transactions. Please include agency name, contact name, contact title, address, phone and email.

## **2. QUALIFICATIONS SUBMISSION**

### **A. General**

- i. All interested and qualified Underwriters are invited to submit a proposal for consideration. Submission of a proposal indicates that the Underwriter has read and understands this entire RFQ. Underwriters shall bear and pay all their own costs and expenses associated with preparing and submitting a proposal, attending meetings and, if selected, negotiating a contract with the Authority.
- ii. Qualifications must be submitted in the format described below. Qualifications are to be prepared in such a way as to provide a straightforward concise description of the firm's capabilities. Expensive bindings, colored displays or promotional materials are neither necessary nor desired. Emphasis should be concentrated on conformance to the RFQ instructions, responsiveness to the RFQ requirements and on completeness and clarity of content.

- iii. Qualifications must be complete in all respects as required in this section. Qualifications may not be considered if they are conditional or incomplete.
- iv. All materials submitted become the property of the Authority. All proposals received are subject to the "California Public Records Act".
- v. If any Underwriter, in his/her response, has trade secrets or other information, which is proprietary by law, the Underwriter must notify the Authority of its request to keep said information confidential. This request must be made in writing and attached to the envelope containing the proposal response. The proprietary or confidential data shall be readily separable from the response in order to facilitate eventual public inspection of the non-confidential portion of the response. The Authority will review this request and notify the Underwriters in writing of its decision as to whether confidentiality can be maintained under law, in the event a public records request is made for the Underwriter's response.

## **B. Proposal Presentation**

- i. All RFQs must be submitted on 8 ½" x 11" paper, neatly typed, double-sided, single-spaced on recycled paper, with normal (1-inch) margins. Each page, including attachments and exhibits, must be clearly and consecutively numbered at the bottom center of the page.
- ii. One (1) marked as RFQ original and nine (9) copies (total of 10) of the completed RFQ must be received by the deadline below. The original and all copies must be in a sealed envelope or container and submitted to the Authority:

**Due Date: September 16, 2005 by 5:00pm**

**Place:** Salton Sea Authority  
Attn: Ron Enzweiler  
Title: Executive Director  
78-401 Highway 111  
La Quinta, CA 92253  
(760) 564-4888  
(760) 564-5288  
[renzweiler@saltonsea.ca.gov](mailto:renzweiler@saltonsea.ca.gov)

Questions regarding the RFQ may be addressed to the Financial Advisor at:

Del Rio Advisors, LLC  
Kenneth L. Dieker  
1325 Country Club Drive  
Modesto, CA 95356  
(209) 543-8704 Phone  
(209) 545-1754 Fax  
[kdieker@delrioadvisors.com](mailto:kdieker@delrioadvisors.com)

- iii. Hand-carried proposals may be delivered to the Authority address ONLY between the hours of 8:00am to 5:00pm, Monday through Friday, excluding holidays observed by the Authority. Underwriters are responsible for informing any commercial delivery service, if used, of all delivery requirements, and for ensuring that the address information appears on the outer wrapper or envelope used by such service. Underwriters are solely responsible for ensuring that the responses are delivered in a timely manner. The Authority is not responsible for any incorrect or late deliveries.

To meet the Authority deadline, underwriters may e-mail their response by 5:00pm on September 16, 2005 to:

[renzweiler@saltonseaca.gov](mailto:renzweiler@saltonseaca.gov)

Upon receipt of the e-mailed qualifications, Underwriters will have two business days to deliver the required hard copies to the Authority.

### **3. EVALUATION/SELECTION PROCESS**

#### **A. Introduction**

Following the opening of the proposal packages, the proposals will be evaluated by an Evaluation Team. The Evaluation Team will be comprised of appropriate Authority and member agency personnel.

#### **B. Proposal Evaluation**

##### **i. Initial Review**

Staff will initially review each proposal for adherence to this request. If a proposal does not respond adequately to this request, it may be rejected as non-responsive to the RFQ. Proposals deemed non-responsive at this point will not be further evaluated.

## ii. Technical Review

The Evaluation Team will evaluate responsive proposals on the experience and qualifications of the firm, the approach to the services and the fees for services, using the following criteria:

Criteria
1. <b>Experience</b> (30%) – Firm has strong CA financing experience relevant to our needs: including tax allocation and land-based experience and modeling capabilities, etc.
2. <b>Approach</b> (15%) – Proposal demonstrates a clear understanding of the scope, ability to work with staff is evident, demonstrated ability to take initiative in performing transaction duties, clear identification of ability to market and sell Authority paper, etc.
3. <b>Assigned Professionals</b> (35%) – have clear related transactional experience and are available to provide services as needed. Firm has staffing resources to meet Authority's needs and can commit staff named in proposal, named professional has managed relevant projects, etc.
4. <b>Cost</b> (10%) – Fee ranges are reasonable and comparable to industry norms.
5. <b>Strong Customer Service Ethic</b> (10%) – References indicate that named professionals are responsive to requests for additional analysis and information, met or exceed all performance expectations, and would be hired again.
6. <b>Bonus Points</b> (10%) – Proposals submitted under this RFQ for Bond Underwriting Services that are part of a combined proposal with the RFQ for Real Estate Development and Brokerage Services will receive an extra 5% scoring. If the firm(s) submitting the combined proposal includes a firm whose main office is located in the Coachella Valley or in Imperial County, an additional 5% will be added to the submitting firm(s) score under this RFQ.

Upon completion of the Initial and Technical evaluation, the firm(s) whose proposals are deemed, by the Evaluation Team, to warrant further consideration may be requested to make oral presentation(s) to the Authority's Project Finance Committee. Such presentations have been tentatively scheduled for the public meeting of the Authority's Project Finance Committee on October 6, 2005, at the Salton Sea Community Services District offices on Highway 86 in Salton City, California.

## C. Award

Following the evaluation of the RFQs and the oral presentations (if requested), the Authority's Project Finance Committee will present the Board with a recommendation of the firm(s) to be hired. Once confirmed by the Board, Staff will begin negotiations with the selected firm(s) regarding the contractual relationship. The final contract will also require Board approval before it becomes effective.